



Health Services

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners*



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April 17, 2013

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM:  Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED
AUTHORITY TO APPROVE A PERCENTAGE
INCREASE EXCEEDING 10 PERCENT OF THE
TOTAL AGREEMENT AMOUNTS OF SIX EQUIPMENT
MAINTENANCE AND REPAIR SERVICE
AGREEMENTS AND ONE BLOOD RECOVERY
SERVICES AGREEMENT**

This is to advise the Board that the Department of Health Services (DHS) is scheduling two Board letters for the May 13, 2014 agenda that request approval of amendments to extend three existing Agreements for equipment maintenance and repair services, and one Agreement for blood recovery services, and three successor Agreements for equipment maintenance and repair services as well as delegate authority for annual maximum obligation increases of 40 percent for each of the seven Agreements.

In accordance with Board of Supervisors' Policy 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by over 10 percent.

AGREEMENTS

International Line Builders (International) provides maintenance and repair services of high voltage electrical systems at LAC+USC Medical Center (LAC+USC MC), Harbor-UCLA Medical Center (H-UCLA MC), Rancho Los Amigos National Rehabilitation Center (RLANRC), and Olive View UCLA Medical Center (OV-UCLA MC). Reliable, high-quality maintenance and repair services of the medical centers' electrical systems are of utmost importance to facility operations and critical to patient care.

nSpire Health Inc. (nSpire) provides maintenance and repair services for the pulmonary systems at LAC+USC MC. nSpire is the Original Equipment Manufacturer (OEM) and the only service provider for these

systems. nSpire equipment performs cardiopulmonary function testing on patients.

Cardiovascular Plus, Inc. (Cardiovascular Plus) provides blood recovery services used in the Operating Rooms, Labor and Delivery, Cardiology and Surgery Departments at OV-UCLA MC. This service is only utilized when significant blood loss is expected during a surgical procedure and the patient indicates prior to surgery that he/she refuses to accept the banked blood. These services are not elective and proper maintenance and repair of the equipment by Cardiovascular Plus's technician is required or patient care will suffer.

Hill-Rom Company, Inc. (Hill-Rom) provides maintenance and repair services of Hill-Rom state-of-the-art hospital beds with proprietary software at LAC+USC MC, H-UCLA MC, RLANRC, and OV-UCLA MC. The beds covered under this Agreement include a majority of high performance and intelligent bed systems that improve the quality of patient care and safety with features such as rotation, percussion and vibration, turn assist, and full chair position. Hill-Rom is the OEM and their hospital beds require that only Hill-Rom certified technicians provide the necessary preventative maintenance and repair services.

Simplex Grinnell (Simplex) provides testing, inspection, preventative maintenance and repair services of fire detection, fire sprinkler, and alarm systems for H-UCLA MC, RLANRC, MLK-MACC, and LAC+USC MC. Simplex is the OEM and their services are critical to fire protection.

Philips Healthcare (Philips) provides equipment maintenance and support services for various types of medical equipment at various DHS facilities, the Sheriff's Department and Department of Medical Examiner-Coroner; and for software maintenance and support for Xclera, an image management software system at H-UCLA MC. Philips assists DHS facilities in managing medical equipment, scheduling the maintenance and repair for thousands of pieces of equipment, and generating compliance reports required by The Joint Commission on the Accreditation of Healthcare Organizations (The Joint Commission).

Fujifilm Medical Systems, U.S.A. Inc. (Fujifilm) provides equipment maintenance and repair services and software maintenance and support services for computed radiography digital imaging systems at various DHS facilities. Fujifilm will connect with other DHS modalities, including the electronic health record system, Online Real-time Centralized Health Information Database (ORCHID). Over the years, the Fujifilm system has expanded throughout DHS facilities and encompassed changes in radiological technology applicable to direct patient services.

JUSTIFICATION

The two Board letters request approval of recommendations to allow the Director, or his designee, to increase the maximum obligation of each of the seven Agreements to increase the total annual amount of each Agreement annually by no more than 40

percent above the total annual amount for the: (a) first year of the extended terms for International, nSpire and Philips; (b) current term for Cardiovascular Plus; and (c) first year of the successor Agreement period for Hill-Rom, Simplex, and Fujifilm to add equipment coming off warranty, to provide for out-of-scope repairs or maintenance for equipment that is excluded under each Agreement's basic maintenance services, to add equipment/services to additional locations; provide professional services; and cover emergency or unforeseen as-needed equipment maintenance, repair, and support services. The facilities will only request that equipment or locations be added if additional services are needed and funding is available in the facility's budget.

The Joint Commission requires facilities to ensure routine preventative maintenance, timely repairs, and performance/safety testing of its medical equipment and to maintain patient safety. Therefore, this delegated authority is necessary to enable the seven Agreements to be amended timely to guarantee that the critical equipment is maintained appropriately and ensure the safety of patients and facility staff, as well as to meet the requirements of The Joint Commission. Board policy generally allows delegated authority to increase the maximum obligation up to 10 percent. However, based on experience in recent years with several other equipment maintenance service agreements, DHS believes that requesting 40 percent for potential increases is appropriate since adding even a few pieces of equipment or an additional facility may require a significant funding increase.

If DHS is not able to add equipment to existing Agreements, the alternative is to request a Purchase Order (PO) from the Internal Services Department. The lead time to obtain a PO is much longer than execution of an amendment to an existing DHS Agreement using the Board's delegated authority.

NOTIFICATION TIMELINE

Consistent with the procedures of Board Policy 5.120, we are informing the Board of our intention to proceed with the filing of the two Board letters with Executive Office of the Board for the May 13, 2014 Board Meeting.

If you have any questions or need additional information, please let me know, or your staff may contact Kathy Hanks, at (213) 240-7819 or khanks@dhs.lacounty.gov.

MHK:kh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors